

SENATE BILL NO. 2374

Introduced by

Senators Wardner, Warner

Representatives B. Anderson, Mock

1 A BILL for an Act to create and enact a new section to chapter 38-08 of the North Dakota
2 Century Code, relating to regulation of gathering pipelines; to amend and reenact subsection 3
3 of section 38-08-04.5 of the North Dakota Century Code, relating to the abandoned oil and gas
4 well plugging and site reclamation fund; and to provide for a legislative management study.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 38-08 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Permits for and controls on gas and liquid gathering pipelines - Bonds.**

9 The operator of a gas or liquid gathering pipeline, including a salt water pipeline, shall apply
10 for a permit before the installation of the pipeline and the commission shall issue the permit if
11 the qualifications under this section are met and the operator submits a plan to meet any
12 requirements imposed by law. The cost of the permit must cover the regulatory costs of the
13 commission as to that pipeline and be at least one hundred dollars. The commission shall
14 require the installation of flow meters, automatic shutoff valves, and pressure cutoff switches on
15 all new gas or liquid gathering pipelines, including salt water pipelines installed after June 30,
16 2017. The commission shall require a reasonable bond in accordance with subdivision d of
17 subsection 1 of section 38-08-04 from an operator of these pipelines. Any money collected
18 under this section must be deposited in the abandoned oil and gas well plugging and site
19 reclamation fund.

20 **SECTION 2. AMENDMENT.** Subsection 3 of section 38-08-04.5 of the North Dakota
21 Century Code is amended and reenacted as follows:

22 3. All moneys collected under this section must be deposited in the abandoned oil and
23 gas well plugging and site reclamation fund. This fund must be maintained as a
24 special fund and all moneys transferred into the fund are appropriated and must be

1 used and disbursed solely for the purpose of defraying the costs incurred in carrying
2 out the plugging or replugging of wells; the reclamation of well sites; mitigation of gas
3 or liquid gathering pipeline leaks, including salt water pipeline leaks; and all other
4 related activities.

5 **SECTION 3. LEGISLATIVE MANAGEMENT STUDY - PIPELINE SAFETY**

6 **TECHNOLOGY.** During the 2015-16 interim, the legislative management shall consider
7 studying technology that may be used on pipelines to detect or prevent leaks. The study must
8 include a review of flow meter technology and new advances in the industry. The legislative
9 management shall report its findings and recommendations, together with any legislation
10 required to implement the recommendations, to the sixty-fifth legislative assembly.